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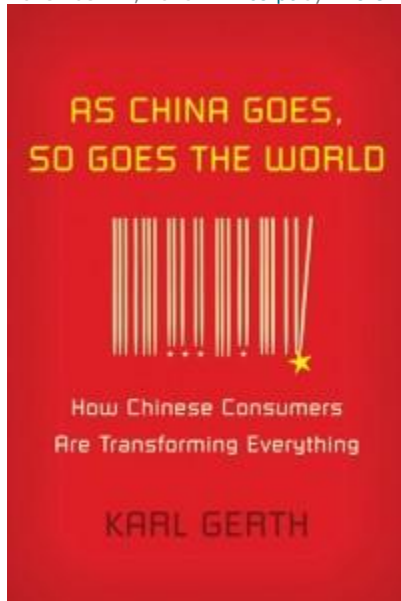
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As China Goes, So Goes the World

November 17, 2010 in [Excerpt](#) by [The China Beat](#) | [Permalink](#)



*Karl Gerth is a tutor and fellow at Merton College and a historian of modern China at Oxford University. His new book is [As China Goes, So Goes the World: How Chinese Consumers are Transforming Everything](#) (Hill & Wang, 2010). (See [this review](#) by Christina Larson at the Washington Monthly and [this one](#) at Kirkus Reviews for more on Gerth's book.) Below, an excerpt from chapter 1 of *As China Goes*, which takes a look at one of the most notable phenomena of 21st-century Chinese life: the sudden boom in car ownership and its far-reaching consequences.*

No Going Back? China Creates a Car Culture and Economy

Today's China sounds different. Back when I arrived in Nanjing for my junior year in college in 1986, one of the first things that struck me was the absence of car noise, signaling, of course, the absence of cars. As I rode the Communist-era bus from the airport, aside from the growl of its engine and the tooting horns of a handful of trucks and cars, the air was instead full of the ringing of bicycle bells and the whirring of their wheels.

Determined to hit the ground running, the next morning, as the other students slept, I got up early to change money, finding my way to the brand-new luxury hotel towering over the heart of the city. Built to comfortably house foreign businesspeople, the hotel did not admit Chinese. That morning a dozen stood at its entrance simply gawking at their city's first high-rise. I marched right in, along with a group of Chinese teenagers sporting Nikes; only much later did I learn that the hotel guards identified overseas Chinese and allowed them entry by looking at their shoes—most local Chinese were still wearing either cloth or inexpensive leather. After changing money, I set off by bus across town to the Friendship Store, where foreigners, and Chinese with a special currency, could buy Chinese trinkets and hard-to-find imported items. The bus chugged along as an ocean of bicycles as far as the eye could see floated past, carrying an army of Chinese pedaling their way to work and weaving back and forth in front of the bus as if to assert the self-evident fact that the road was theirs.

Safely delivered to the store, I browsed a little and selected a bike. Its most distinguishing feature was the lack of any—namely, it looked like a shinier version of the thousands of bicycles I had already seen on China's roads, and so seemed to promise that it would carry me around this new and exciting city. But to my surprise, the store clerk wouldn't allow me to buy it. I had assumed that all I needed to buy something was enough of the right kind of money. I had had only a year of college Chinese, barely enough to correctly pronounce the tones of my Chinese name (Ge Kai, two characters pronounced with tones that each rise and fall), so it was hard to follow what the problem was, but I eventually figured out that I needed a ration coupon from my employer, or "work unit." The store

workers (they could hardly be called “salespeople,” as they did not seem very interested in selling anything) realized the absurdity of the situation, but it took some lengthy deliberations and a few phone calls, for reasons still unclear to me, before I could buy the bike.

I rode off triumphantly back toward campus, anxious to share my victory with my American classmates. Along the way home, though, the bicycle began to disintegrate, as parts started to come loose, and finally, as I rounded a corner, the bell fell off and tumbled down the street. I later learned that new Chinese bikes only *looked* assembled. Every part required additional tightening and, as one Chinese friend told me, a good rainstorm to rust the parts together. Chinese bicycles were notoriously poorly built and required constant maintenance. The following semester, when I was studying at Beijing University, one student taught me a local expression: “Every part of a bike makes noise except the bell.”

What made the joke work, of course, was the fact that in 1986 you could still hear bicycles. Today, they are overwhelmingly drowned out by the rumble of car engines. The change was so abrupt—in less than ten years—that the brains of those familiar with China before its rapid embrace of a car culture still haven’t quite adjusted to the difference in sounds. In fact, a distinguishing feature of China’s embrace of consumerism is its headlong nature—what Western consumers took decades or a century or so to adopt, Chinese are managing in mere years. By any measure, the accomplishment is impressive. It also defies controls and begets consequences that beget yet more consequences. I treasured my bicycle because it gave me mobility without the need to rely on the slow and extremely crowded buses. (To this day, after my experiences pushing my way onto China’s overcrowded buses, I still see an elevator as always having room for one more.) My bicycle allowed me to explore the city and to do so relatively safely, as there were very few private cars, and the noisy, slow-moving buses posed little threat. Getting a taxi was expensive and difficult—you had to order one or find a queue at a hotel for foreigners. That was in 1986. Jump forward two decades. Today cabs are so common I grow impatient if I have to wait more than a few minutes to hail one. . . .

This change is what makes the story of the car in China so important. In the early 1980s, China had only one car or truck for every 1,200 of its 800 million people; for local transportation, the vast majority of Chinese relied on bicycles. Indeed, the bicycle—the manufactured product most closely associated with Mao’s China—had served as an iconic image of China for over half a century. While the decade that followed my first visit to China saw a steady increase in the number of motor vehicles on those once blissfully quiet roads, at the end of the 1990s China’s car industry went into overdrive, and within a decade China overtook the United States as the world’s largest market for cars and also one of the world’s largest manufacturers of cars. This was no accident, nor a mere “correction” in the market, but the result of deliberate policies.

Why did China’s leaders elect to build a car industry and culture almost overnight, thereby making their economy and society—like ours in the industrialized world—highly dependent on cars? Consider that Chinese grade-school students in the mid-1990s were still being taught the dangers of an American-style car culture; state-approved textbooks told them that America’s car culture was unsafe, polluting, and wasteful of natural resources. At the same time, the country’s top scientists were advising against going down this route. They cited the inevitable accompanying need to import massive amounts of oil and the country’s resulting loss of energy independence and urged the government to develop a massive public transportation network instead. Nobody can argue that China didn’t understand the downside to embracing cars, but the perceived upside was more compelling. To grow and to compete in world markets on terms partially dictated by others, China decided to embrace cars and encourage its population to desire and buy them.

As with its decision to embrace consumerism itself, Chinese leaders didn’t think they had a choice. China decided to join the World Trade Organization in the mid-1990s to gain expanded access to global markets for its exports, a decision that required the country to play by WTO rules and relinquish some control over its own markets. The race was on. Before imports stormed into the previously protected market once full membership took effect in 2001, the country’s leaders recognized that they had less than a decade either to quickly develop a domestic car industry or to surrender the domestic market to foreign companies, perhaps permanently. China wanted to introduce cars on its own terms—namely, it wanted to have a domestic car industry rather than ceding a key industry to

foreigners. To develop its domestic car industry in time, it would have to ease barriers on imports just enough to create an internationally competitive car market and entice foreign investment and technology from global car manufacturers.

Efforts to create domestic demand worked. The resulting price cuts, access to world-class car models, and easier credit from state-owned banks quickly led to soaring demand on the part of Chinese consumers, most of whom just a few years earlier had never dreamed of riding in any car, let alone one of their own. That soaring demand soon made China the world's largest car market, surpassing the United States in 2009. In one of countless estimates regarding China that proved to be *under* rather than over expectations, the rise of the Chinese car market to world supremacy occurred six years ahead of earlier projections. The strategy also created a massive domestic car industry, with the country manufacturing some ten million cars a year, contributing to a global car glut that threatens to bankrupt its American competitors. As in the United States, the Chinese government and, of course, car manufacturers now practically beg citizens who two decades earlier could only aspire to own their own bikes to desire and buy cars, regardless of the environmental and geopolitical consequences.

No aspect of China's consumer revolution occurs in isolation. The emergence of a vast market for cars is simply a part of many simultaneous and reinforcing changes, each change having its own far-reaching effects. The Chinese state itself is behind many of the changes promoting car use. Until the late 1990s, most urban residents worked in state-owned factories and lived in company-owned housing nearby, meaning they could easily walk, ride a bike, or take public transportation from home to work and back. But as increasing numbers of state-owned enterprises were closed and others relocated to the suburbs, workplaces became less accessible and a new commuter culture emerged. In place of mixed-use development, where people live and work in the same neighborhood, city centers across China are being razed and rebuilt into central business districts of gleaming office skyscrapers, pushing affordable housing out to distant suburbs. None of this is occurring without the implicit and explicit support of the state; all of it carries as a consequence the demand for more cars.

Like their counterparts around the world, Chinese consumers now not only want to own cars but also "need" private transport. The country adds an estimated 12,000 to 14,000 cars to its streets every day, for a total of more than 35 million—a number expected to grow to more than 150 million within ten years. In 2006 alone, Chinese consumers purchased 6.8 million vehicles, overtaking Japan as the world's second largest car market, and at the start of 2009, China became the world's largest such market, selling more than 12 million cars annually. In a 2002 survey of families in Beijing, Guangzhou, and Shanghai, 70 percent reported that they planned to buy cars for personal use within five to ten years; in 2005, two fifths of Chinese respondents reported that owning an automobile was their grandest dream.

The successful drive to get the Chinese to buy cars has paved the way for the arrival of such other icons of American-style consumerism as shopping malls on city outskirts, suburban gated communities, leisure homes in the countryside, and weekend holidays. For a country set on stoking domestic consumer demand, all of these are positive developments. Yet the car craze has also led to a number of more troubling and largely unanticipated consequences. These problems are most visible in China's major cities, where the majority of car ownership is concentrated. In 2009, Beijing alone had four million cars traveling its heavily congested roads, triple the number a decade earlier, and even with the continual addition of new and wider roads, the city cannot confiscate land, demolish residential buildings, and build roads fast enough to accommodate them all. . . .

There has also been a belated rush to expand the public transportation system with new subways. But the genie is out of the bottle. The Chinese now desire cars. Just as significantly, China needs its citizens to want cars and has consciously created policies to promote private car ownership . . .

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